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China's Rise to Power: Revitalizing the Ties with the Republic
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EXECUTIVE SUMMARY

Author: Major Keith H. Topel, United States Marine Corps

Thesis: In this emerging, multi-polarized, and complicated Asian security environment, one way the United States (US) can balance the Chinese rise to global power and counter Chinese anti-access, or area-denial strategies, is to utilize the four elements of national power to strengthen the relationship with the Philippines and this strong relationship will maintain an acceptable balance of power in the region.

Discussion: The manner in which China has rapidly risen to power over the past few decades with its growing middle class and its systemic modernization of military capabilities has certainly evolved since the Qing dynasty with its Confucian ideologies. In Chinese Mandarin, the common language of China, China literally means the "Middle Kingdom." In 1989, after the fall of the Soviet Union, which left underdeveloped countries scrambling to adapt to a US dominated global free-market economic system, China has transformed its ideologies in the pursuit of its ultimate destiny as the center of the universe. Moreover, China's expansive military buildup and modernization program that the Pentagon's 2006 Quadrennial Defense Review (QDR) identified as putting "regional military balances at risk," only exacerbates the potential for conflict in the region. A closer look at current events reveals that China's global quest for oil, trade, and the balance of their currency are three areas of potential economic conflict that could lead to a military conflict in the future. China has the potential to test the US commitment towards Taiwanese sovereignty, if China so chooses to invade, or the US commitment to the Philippines if China once again attempts to usurp control of the Spratly Islands. In general, China's leaders have remained quiet, elusive, and deceptive about their future desires while patiently observing the dominance of the United States military over the past 20 years. Such observations have led to theories of an asymmetric approach to warfare, which uses the disruption of command and control systems and area-denial capabilities to counter the United States' reliance on high technology systems. Furthermore, Chinese fears of a United States containment or encirclement strategy are further bolstered by implications of a growing US military power in the region under the guise of the Global War on Terrorism (GWOT). Since 1991, the US has not had a continuing presence in the Philippines despite a de facto mutual defense treaty. Nonetheless, the Philippines still remains a significant and strategically important country, not only in the current GWOT, but as a useful ally in balancing the Chinese rise to power.

Conclusion: U.S. Foreign Policy regarding China, vis-à-vis the Philippines, needs to be based on sound understanding of and the inter-relationship of the four pillars of national power -- diplomatic, information, military, and economics -- to affect a strategy that will strengthen the relationship between the United States and the Philippines in order to dissuade China's use or threat of force in support of Chinese national interests. The Philippines is strategically located to accomplish this purpose.

PREFACE

My interest in China began when I first learned of China's rapidly growing economy and subsequent buildup of military capabilities. Furthermore, a robust transfer of technology, albeit illegally in some cases, has only bolstered my interest in China's military abilities to counter US military technological capabilities. My initial interest in China focused on China as a threat, but has broadened to incorporate China as potential peaceful ally in Asia. However, after several deployments to the Western Pacific, my interest in Asian security has grown.

Initially, my concept for this master's thesis was too broad, as I attempted to describe the Chinese rise to power and its implications to the security architecture in Asia. While conducting my research, I became interested in China's anti-access or area-denial strategies and stumbled upon a research paper written by the Rand Corporation for Project Air Force titled, "Entering the Dragon's Lair," which dealt with China's potential anti-access strategies. I narrowed down a topic that dealt with a few recommendations from that report, more specifically, bolstering regional relationships and basing options. As a result, I immediately thought of the Philippines and how that country could satisfy/solve the opportunity.

Ironically, the more research I conducted, the more I realized that the United States is already acting on what I wanted to propose. That is, a stronger relationship with the government and people of the Philippines. What I am proposing is that the United States fully incorporates the whole of government concept/approach in this pursuit to include cooperation and coordination between governmental agencies and non-governmental agencies. Moreover, the Marine Corps' concept of distributed operations can be successfully implemented in a

Philippines scenario in cooperation with the Filipino military to assist the Filipino military during GWOT operations in Southern Mindanao. I would like to thank several people for their assistance to include LtCol Bjornar Lunde, Norway; Dr. Richard DiNardo; Roger Morin; Al Santoli; and Marina Topel, my beloved daughter who provided me encouragement and guidance.

CHAPTER 1 – INTRODUCTION

*“Never before has China been so closely bound up with the rest of the world as it is today.”
– China’s National Defense in 2006*

Background

The manner in which China has rapidly risen to power over the past few decades with its growing middle class and its systemic modernization of military capabilities have certainly evolved since the Qing dynasty (1644-1912) with its Confucian ideologies. There is no doubt that China’s history is vast and rich; extending nearly four thousand years through recorded history. Throughout this expansive history, China was once regarded as being at the absolute center of an Asian regional security system; at least that was before the hegemony of Western powers.¹ Today, nearly twenty years after the fall of the Soviet Union, the end of the Cold War ushered in a new wave of under-developed countries scrambling to adapt to a global free-trade market economy system dominated by the United States (US) – the sole remaining superpower.

In Chinese mandarin, the common language of China, China literally translated means the “Middle Kingdom.” This suggests that the Chinese people have often viewed themselves as the centre of the universe in which all other kingdoms were inter-related with the Chinese way of life or revolved around the Chinese emperor.² Even today, China tends to view itself nationalistically, “[a]s the most important state within Asia and it demands that smaller neighboring countries acknowledge this in some form.”³

China has always envisioned Northeast Asia as being within its sphere of influence, which leads to an interesting question on whether China has any future hegemonic tendencies or intentions to establish a formal empire within its sphere of influence.⁴ Nonetheless, how would

the future balance of power within Asia look once China reaches a point of mutual power status with the US and other key Asian allies?

A close look at current events reveals that China has a robust thirst for oil, an interest in free trade, and the need to control the balance of Chinese currency.⁵ These three economic interests could lead to future conflict with Western powers that may or may not involve military action. There is also the potential that China may test the US's commitment to defend Taiwan from invasion or test the US's commitment to the Philippines, if China decides to claim the Spratly Islands in the South China Sea. Obviously, the former is a more likely scenario than the latter. Nonetheless, the Spratly Islands issue, which was a major concern in the mid-nineties, may have the potential to resurface once again as China gains military strength while pursuing a global means to import oil - the major resource in the Spratly Islands.⁶

In general, China's leaders have remained quiet, elusive, and deceptive about their future desires while patiently observing the dominance of the United States military over the past 20 years. Such observations have led to theories of an asymmetric approach to warfare, which uses the disruption of command and control systems and area-denial capabilities to counter the United States' reliance on high technology systems. Furthermore, Chinese fears of a United States containment or encirclement strategy are further bolstered by implications of a growing US military power in the region under the guise of the Global War on Terrorism (GWOT).⁷

The Philippines, by virtue of its location and its vast history with the US, still remains strategically important for the US, not only in the current GWOT, but also as a useful ally in balancing the Chinese government's rise to power. That is why, in this emerging, multi-polarized, and complicated Asian security environment, one way the United States (US) can balance the Chinese rise to global power and counter Chinese anti-access, or area-denial

strategies, is to utilize the four elements of national power to strengthen the relationship with the Philippines and this strong relationship will maintain an acceptable balance of power in the region. This paper will address one solution that will bolster US military strength and partnership between the US and its regional allies, and that solution is to develop a stronger US-Philippine relationship.

The Future Balance Sways?

In 1993, Nicholas Kristof, a New York Times journalist, author, op-ed columnist, and winner of two Pulitzer Prizes, commented that:

China is the fastest growing economy in the world, with what may be the fastest growing military budget. It has nuclear weapons...and a rapidly improving army. The [US] has possessed the world's largest economy for more than a century, but at present trajectories China may displace it in the first half of the next century and become the number one economy in the world.⁸

China's rapid economic growth since 1979 has transformed it into a major economic power, based on estimates of China's economy on a purchasing power parity (PPP) basis, which attempts to factor in price differences across countries when estimating the size of a foreign economy in US dollars. In December 2007, however, the World Bank issued a study that lowered its previous 2005 PPP estimate of the size of China's economy by 40% (see Appendix B and C).⁹ Despite these facts, China's economy is expected to surpass the US economy in terms of Gross Domestic Product (GDP) in the next 10-15 years. This paradigm shift will gradually elevate China's global power status from a regional power to a global power in a multi-polar world.

Paul Kennedy, in *The Rise and Fall of the Great Powers*, writes that "...there is a very clear connection *in the long run* between an individual Great Power's economic rise and fall and its growth and decline as an important military power (or world empire)."¹⁰ Does this statement imply a trend in the present shift of the US as the sole-remaining superpower waning to a world

where multi-polarization with the Chinese is inevitable? Fortunately, Paul Kennedy was proven wrong when he predicted the US's military decline after the 1987 stock market crash.

Nonetheless, one could still argue that there is an obvious relationship between a nation's economic growth and its military power, but the simple analogy, as it pertains to China, is meaningless without knowing what the country intends to do with its newly acquired power.

The overall question remains: What are China's ambitions and is it aggressive? In other words, does China wish to project its military power beyond its shores and if so, will it do it recklessly and/or aggressively to further upset the balance of power within the Asian region or will it conduct itself accordingly and emerge as a constructive partner? According to a peaceful rise theory, China's military capabilities will naturally continue to advance in line with its growing economy.¹¹ However, is China's military growth and modernization a legitimate outcome or factor in their growing economy, or is there a plan or strategy to obtain wealth and international clout before China becomes more aggressive and forcefully takes what is perceived to be rightfully theirs in historical terms?

Does China Have a Secret?

Historically, China has always been an oppressed nation with deep roots in Confucianism, but a post-Mao Communist turned Capitalist-Communist economic policy has indicated that China may have a hidden agenda. As such, Chinese political leaders do not explicitly provide an overarching "grand strategy" that outlines its strategic goals and the means to achieve them. Such vagueness may reflect a deliberate effort to conceal strategic planning, as well as uncertainties, disagreements, and debates that China's leaders themselves have about their own long-term goals and strategies. Still, it is possible to make some generalizations about China's "grand strategy" based on strategic tradition, historical patterns, statements, official

papers, its emphasis on certain military capabilities, and recent diplomatic efforts. In February 1999, for example, an unsanctioned book titled *Unrestricted Warfare* was published in China by two Peoples Liberation Army (PLA) colonels who proposed tactics for developing countries, in particular China, to compensate for their military inferiority in relation to the US during a high-tech war. The book advocates a multitude of asymmetric means, both military and non-military, to strike at the United States during a time of conflict. The tactics suggested immediately drew the close attention of Western powers and may have been somewhat prophetic, to include: cyber warfare, economic warfare, space warfare, terrorism, and information operations as methods to defeat a technologically superior adversary.¹² In 2006, the Pentagon published the Quadrennial Defense Review, which appropriately placed China as one “of the major and emerging powers, which has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies.”¹³

CHAPTER 2 – CHINA’S ANTI-ACCESS STRATEGY

“冷静观察, 站稳脚跟, 沉着应付, 韬光养晦, 善于守拙, 绝不当头。”

“Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.”¹⁴

– Deng Xiaoping’s “24 Character Strategy”

Overview

An anti-access measure is “considered to be any action by an opponent that has the effect of slowing the deployment of friendly forces into a theater, preventing them from operating from certain locations within that theater, or causing them to operate from distances farther from the locus of conflict than they would normally prefer.”¹⁵ It is important to emphasize that a Chinese anti-access strategy began with China’s realization that it could not compete against the US in a

conventional military conflict and therefore has had to resort to asymmetric warfare as a means to guarantee a strategic victory, albeit limited.

Through a closer examination of Chinese writing, it is apparent that China's People's Liberation Army (PLA) strategists are aware that they "still lag behind the U.S. in terms of technology, doctrine, training, and experience."¹⁶ As a result, the PLA would not attempt to confront the United States in a one-on-one battle, but instead would choose to focus directly on the US' critical vulnerabilities. Furthermore, the PLA will attempt to seize the initiative at the onset of a conflict against a technologically superior opponent by "gaining a mastery by striking first," possibly through surprise attack or preemption. This strategy suggests that China might seriously consider "preemptively attacking US forces as they are deploying to a region in what US policymakers intend as an action to deter conflict."¹⁷

A principal tenant of a Chinese anti-access strategy, although not specifically spelled out from Chinese sources, is to modernize their military forces with the capacity to deny the enemy – the United States – the access to areas that China views as within their national interests (see Appendix A for a detailed map of China's area of national interest). It is important to note that a Chinese anti-access strategy in itself has not been directly observed. This is because China's leaders are very secretive and do not openly document an overarching "grand strategy" similar to the US' National Defense Strategy (NDS) or other similar open-source publications. Ultimately, China's search for security is related to its desire to achieve global power status and is largely a derivative of its history of humiliation, "suffered at the hands of various imperialist powers and by what Beijing perceives as the hegemonic ambitions of the US in the current era."¹⁸ In order to avenge this history of humiliation, Chinese leaders believe that they have to build up sufficient economic strength and military might to counter the perceived current American threat.¹⁹

The Department of Defense (DOD), 2006 *Quadrennial Defense Review (QDR)* clearly asserts that “in the near term, China is prioritizing measures to deter or counter third-party intervention in any future cross-Strait crises.”²⁰ Subsequently, the QDR defines those measures as disruptive capabilities: forces and operational concepts aimed at preventing an adversary from deploying military forces to forward operating locations, and/or rapidly destabilizing critical military balances.²¹ The Pentagon, in its most recent report to Congress, acknowledged that, “The People’s Liberation Army (PLA) is pursuing comprehensive transformation from a mass army designed for protracted wars of attrition on its territory to one capable of fighting and winning short-duration, high-intensity conflicts against high-tech adversaries.”²² Likewise, the 2007 Annual Report to Congress stated that China’s strategic forces’ modernization is enhancing strategic strike capabilities, as evidenced by the DF-3 or CSS-9 intercontinental range ballistic missile. Additionally, China’s counter-space program – punctuated by the January 2007 successful test of a direct-ascent, anti-satellite weapon – poses significant dangers to human space flight and puts all space faring nations at risk. It must be said that China raises some legitimate concerns for the ultimate security of other states in the region during China’s supposed peaceful rise.²³

Even if China does not possess expansionist ambitions, its sheer size and potential for global power status will remain a key focal point for regional neighbors and the wider international community as a whole. Interestingly enough, “China’s effort to sustain growth in the economy in order to continue its drive to global power status is in many ways reminiscent of Japan’s rise: the island nation adopted reforms in the 19th century with the goal of a strong and militarily powerful country in mind.” Therefore, China’s regional neighbors are certainly

justified in their apprehensions that China's rise may be similar to that of Japan's in the early part of the 20th century.²⁴

The words of Sun Tzu, in *The Art of War* illustrate China's point of view when he said that "Warfare is one thing. It is a philosophy of deception. You will find a place where you can win. You cannot first signal your intentions."²⁵ Therefore, it is within China's best interest to persuade the international community that any theory that distinguishes China as a potential threat is merely a manifestation of a US foreign policy that is rife with a US containment strategy. Furthermore, a classic Chinese proposition in defense of a China threat theory "is that China will never seek hegemony or threaten its neighbors when it becomes powerful."²⁶

After the Cold-War, one lesson the Chinese leadership learned from the collapse of the Soviet Union is "the folly of getting trapped in an arms race with the USA." This arms race, if it were to occur, would most likely occur between Southeast and East Asian countries. The Philippines for instance is no match for a potential arms race with China on their own, and due to a de-facto mutual defense treaty with the US and Filipino counterparts, a much broader arms race could potentially ensue. Nonetheless, for the time being, it is China's imperative to avoid being seen as a threat. On the other hand, China's stance could change at a later date when its "peaceful rise" has been successful.²⁷

The 2007 Annual Report to Congress, which addressed the military power of the People's Republic of China, suggested that "the [PLA] appears engaged in a sustained effort to develop the capability to interdict, at long ranges, aircraft carrier and expeditionary strike groups that might deploy to the western Pacific."²⁸ Furthermore, since the conclusion of the Cold-War, the United States has risen to superpower status where no other country possesses a military force comparable, both in quality and size.²⁹ Throughout the past decade, the US has found itself in a

uni-polar world where there is an absence of a single dominant adversary, thereby making “it impossible to predict where U.S. forces will be needed and, thus, likely that the United States will have relatively few forward-deployed forces in the vicinity of a conflict about to erupt.”

In 2006, the US State Department published a roadmap for realignment, which calls for the realignment of US Forces in Japan with a subsequent reduction and relocation of forces from Okinawa to Guam.³⁰ This plan calls for an enhanced US-Japanese bi-lateral military defense relationship, but decreases U.S. forward presence in the South China Sea and basing rights in Okinawa. A Chinese anti-access strategy only exacerbates this situation in that it endeavors to disrupt the US’ ability to operate within this area of operations and with the relocation of a majority of America’s first responders further away, further encapsulates a Chinese anti-access strategy. Furthermore, China may also deduce that by imposing a credible threat, “they will be able to deter the United States from interfering in the first place, or at least limit the scale and scope of that intervention.”³¹

Several studies have concluded that in any potential conflict or face-off against China — the Philippines will be pivotal, by virtue of its location. Ever since the closure of U.S. Military bases in the Philippines at Clark and Subic Bay in 1991, “the United States has incrementally regained, transformed and deepened its military presence and intervention in the Philippines.” Hence, the United States finds that it needs the Philippines more than ever. Not only is it ideally located geographically, its government stands out among its neighbors for being far more willing to align itself with US demands, but with China also aggressively courting Filipino leaders, this could change. As the ensuing geopolitical competition between China and the Philippines heats up, the Philippines could tip the balance one way or the other.³²

Key Vulnerabilities

The first US key vulnerability is the value of the US dollar, which is widely accepted as the predominant reserve currency and is one of the fundamental reasons the US has achieved superpower status. In order for foreign governments to be able to purchase required amounts of oil and other major commodities, they have to purchase vast amounts of dollar reserves to be able to buy what they need to fuel their economy. Recently, Russian and Chinese experts have prophesized that the US's economy is like a double-edged sword and is the Achilles' heel that will cripple the US. These far-fetched prophecies approached reality in fall 2008 with the significant devaluation of Wall Street stocks putting the world's economies into a global recession and precariously teetering on the edge of a full scale global depression.

What is evident at this point is that the US economy is more robust and dynamic than the Chinese economy, which has already begun to show signs of significant weakening, due to the reduction of oil values to near 7 year lows. Despite this fact, the Chinese economy will still post a positive GDP this year but, not anywhere near their historic rate of growth. Most importantly, is the reality that if the US economy does not soon stabilize, then potentially hostile nations such as China, Russia, and/or Iran could increase the effects of a US recession/depression and influence a panicked international community that could affect the dominance of the US dollar. This could open the door to countries, such as China, imposing economic norms and standards that are more favorable to them. If this were to occur, it would certainly qualify as a form of economic warfare. This approach complies with the teachings of Sun-Tzu, where China advances their national security interests and national desires through economics avoiding bloodshed: a subtle approach to modern warfare.

China is now the biggest holder of foreign exchange reserves in the world and if China invested a major portion of its reserves into the euro, yen or gold instead of the US dollar this would force other central banks to follow suit. If this holds true, the dollar would become virtually worthless, leaving many countries more than willing to get rid of a worthless currency. This type of sabotage could easily start a chain reaction among countries with ties to the US such as the Middle East, Eurasia, Southeast Asia, Africa and Latin America. Equally alarming is the fact that many nations harbor a silent disaffection against US dominance and would easily consort with the fear of a worthless dollar dump and gladly watch the lone super power squirm and collapse.

The potential of the US dollar collapsing is further intensified by the mounting U.S. current-account deficit. The current-account deficit is the combined balance on trade in goods and services, income, and net unilateral current transfers and is at a record \$900 billion annual rate. This figure is 6% of the US's GDP, the largest in US history. This means the US has to borrow from foreign lenders, mostly Japan and China, \$900 billion annually to finance the gap between payments and receipts from the rest of the world. These figures are the highest compared to other industrialized economies of the world (see Appendix B and C). The International Monetary Fund has warned: The US is on course to increase its net external liabilities to around 40% of its GDP within the next few years - an unprecedented level of external debt for a large industrial country. It should be obvious that these numbers are not sustainable and it would not take much more, especially with the crash of the global sub-prime market, to push the dollar into free-fall; this impetus could be further instigated by efforts to sabotage the system by China or Russia.

The second key vulnerability of the US is its aircraft carrier battle groups that are the

mainstay of the US military and protect its vital commerce supremacy. These instruments of national power are paramount in projecting global power and asserting US military dominance throughout the world. The US currently employs 12 active carrier battle groups, which no other nation can currently do. The Chinese threats to the US carrier battle groups consists of medium- and short-range ballistic missiles, which are in fact modified and improved DF 21s/CSS-5 and DF 15s with terminally guided maneuverable re-entry vehicles with circular error probability (CEP) of 10 meters. The DF 21s and the CSS-5s can hit slow-moving targets at sea up to 2,500km away (see appendix D and E). Additionally, China has an array of supersonic and highly accurate cruise missiles, some with range of 300 kilometers or more that can be delivered via submarines, aircraft, surface ships or even common trucks. These supersonic cruise missiles travel at more than twice the speed of sound and can fly a low trajectory, which limits the ability of it being intercepted via radar. These cruise missiles can be armed with conventional, anti-radiation, thermo-baric, or electro-magnetic pulse warheads, or even nuclear warheads. The Aegis missile defense system and the Phalanx Close-in Defense weapons of the US Navy are ineffective against these supersonic cruise missiles. A barrage of these cruise missiles, followed by land-based intermediate- or short-range ballistic missiles with terminal guidance systems, could wreak havoc on an aircraft carrier battle group. Whether there are seven or 15 carrier battle groups, it will not matter, for China has enough ballistic and cruise missiles to destroy them all.

Likewise, the SHKVAL or "Squall" rocket torpedo developed by Russia and proliferated to China is like an under-water missile. Its high speed makes evasive maneuvers by carriers or nuclear submarines highly difficult. It is truly a submarine and carrier buster. Also, extra-large, bottom-rising, rocket-propelled sea mines put in place by submarines along the projected paths of advancing carrier battle groups are designed specifically for targeting aircraft

carriers. They can be grouped in clusters so that they will hit the carriers in numerous barrages. The other threat is the use of China's numerous aging aircraft that can easily be transformed into unmanned aerial platform that are remotely controlled and armed with stand-off anti-ship missiles that can be flown directly into their targets or used as decoys to overwhelm potential fighter aircraft from infiltrating Chinese territorial waters.

Lastly, one of the many key US vulnerabilities that are important for the remainder of this paper is the potential for strikes against US air bases and ports throughout the Asian region. Specifically, the US bases in both Korea and Japan would be key targets under a Chinese anti-access strategy. The remaining key US vulnerabilities that could be targeted under a Chinese anti-access strategy are the US's reliance on information systems (to include satellites) and the vulnerability of US logistic systems. The implications of this strategy in its entirety sounds imposing, but the potential for strikes against US air bases and ports can be countered by using passive missile defenses, deploying air-defense systems near critical facilities, and diversify basing options for aircraft, which is important for the remainder of this paper.³³

CHAPTER 3 – IMPORTANCE OF THE PHILIPPINES

The Significance of the Philippines

The US first acquired the Philippines as spoils from the Spanish-American War in 1898, where the US first appeared as a colonial power with a manifest destiny.³⁴ Since then, the US has dealt with many issues regarding the Philippines including small wars from the beginning of the twentieth century to the current Global War on Terrorism (GWOT). Traditionally, US military aid to the Philippines included major bases at Clark Air Force Base which supported the 7th AF and the Naval Station in Subic Bay. The strategic location of the Philippines cannot be

overstated. In the early 1990s relations between the Aquino Government and the U.S. went sour and the US decided to pursue the relocation of US forces out of the Philippines.

After the Mount Pinatubo explosion destroyed Clark Air Force Base in Luzon and under pressure from the Filipino government, the US decided to abandon its bases in the Philippines. However, the US still has an agreement with the government of the Philippines for port visits as necessary and annual training exercises such as Talon Vision or Balikataan, which are bi-lateral, US-Philippine military training exercises. These exercises occur at least once yearly focusing on bolstering friendly working relationships and interoperability between forces. They also expose the Philippine Armed Forces to the most recent counter-insurgency tactics, techniques, and procedures (TTP's). In turn, the Filipino Armed Forces can apply these lesson learned to combat radical Islamist insurgents in the South and the armed wing of the Filipino communist party, the New People's Army (NPA), in the North.

Since the closure of US military bases in the Philippines in 1991, the US has incrementally regained, transformed, and deepened its military presence and intervention in the Philippines. US investments in critical infrastructure have constituted a new category of military installations, called Cooperative Security Locations (CSLs). CSLs were introduced during the revamping of the global US network of bases and refer to facilities that are either owned by host-governments or private companies "that are to be made available for use by the US military as needed."³⁵ According to the Department of Defense, "these CSLs are to be run and maintained by either host governments or private contractors and are useful for prepositioning logistics support or as venues for joint operations with host militaries."³⁶ These CSLs are intended to be small so as not to attract attention, but can be expanded as necessary to become larger bases when needed.³⁷

The manner in which the US has achieved this in the Philippines – a country that is described by US analysts and strategists to be within “the dragon’s lair” – points to the emerging US strategy towards what it has officially identified as the one country with “the greatest potential to compete with the United States” – China.³⁸ Through the GWOT, the US has been given a chance to assert its preponderance in Asia and a rationale to return troops to the Philippines. To a certain degree, the Chinese view the semi-permanent deployment of US forces in the Philippines “as the first stage of encirclement process directed at itself.” In reality, however, one could argue that the US’s interests are derived from a distinctly American internationalism that reflects the intersection of its values and national interests: “Washington will not only defend itself but also help make the world – including Asia – a safer place to live in.” China, on the other hand “still sees America’s unilateral foreign policies as a smokescreen for pursuing hegemony.”³⁹

Concurrently, through the GWOT, the US has opened the door to China “to highlight its role as a responsible great power through a common undertaking to combat terrorism.” In the meantime, China remains skeptical of the US’s foreign policy, which it perceives as attempting to dominate the whole world with overwhelming military force. Therefore, “one can [easily] see why China is apprehensive about a US-inspired new world order, which is likely to be underpinned by an American-led coalition of Western industrialized states and Japan in the long run.” Nonetheless, “The manner in which the US has attempted to re-establish basing in the Philippines illustrates its attempts to radically overhaul its global offensive capabilities to become more agile and efficient while overcoming mounting domestic opposition to its presence around the world.” According to this strategy, the Philippines, “by virtue both of its location as well as its political disposition towards the US relative to its neighbors, plays a crucial role.”⁴⁰

In 1995, tensions arouse when China flexed its muscles over rights to the oil fields in the Spratly Islands off the west coast of the Philippines in the South China Sea. Since then, the Philippines and China have emerged as vigorous economic trading partners and have recently signed trade agreements that point to a positive economic future for the Philippines. This paper proposes that China does not specifically desire to attack the Philippines as China does not consider it as vital to their national interests. Nonetheless, China does have an interest in acquiring valuable resources from the Philippines to fuel the growing Chinese economy. China also has an interest in dissuading the Filipino government from continuing relations with the US, so that the US cannot use the Philippines as an essential base to contain them.

Furthermore, China's one-child policy has resulted in a significantly off-balance gender demographic, where males 18-35 years old dominate the population. Could this imply a potential aggressive foreign policy due to the significant imbalance of military-aged males? Additionally, it has been noted that Chinese men are increasingly inter-marrying Filipino women, which could further alter the Filipino social landscape and could lead to a pro-China attitude in the Philippines over time.

GWOT in the Philippines

The United States has always been a peace-loving liberal democracy that has pursued idealistic and altruistic means to handle foreign affairs with a hint of realpolitik. Since, "the United States is the first leading state in modern International history with [a] decisive preponderance in *all* the underlying components of power: economic, military, technological, and geopolitical" it is imperative that the US examines solutions via the construct of the whole of government.⁴¹ Through the GWOT, the US has acquired a new way to project their instruments of national power. One of those methods is the use of soft power that has many implications

through the counter-insurgency (COIN) operations but, also through the use of global diplomacy and information operations, simply as a means to persuade peoples in foreign countries from becoming overly aggressive and to sway the public opinion in order to gain access to vital areas of US national security, especially in ungoverned areas. The Philippines is such a place, due to its proximity to China and its geographic relationship with other key US allies in Asia.

Diplomatic elements of a strong US foreign policy have been and will remain essential to maintain peace and promote tri-lateral, US, Japanese, and Chinese trust and security throughout Asia. Additionally, the US will also have to promote the free-trade of ideas in relation to bolstering the economic opportunities between regional trading partners to include the Philippines. More importantly, the US will need to continue the modernization of its military while soliciting bi-lateral military exercises beginning with humanitarian disasters, which will build trust and relationships within the region.

Despite the Filipino constitutional restrictions on foreign bases in the Philippines, the US already has semi-permanent forces in the Philippines, although not disclosed as such, based in Mindanao, under the guise of the GWOT. These US forces, serving mainly as advisors, assist the Filipino Military people from the persistent threat of radical Islamic groups such as Abu Sayyaf, the Moro Islamic Liberation Front (MILF), and the Moro National Liberation Front (MNLF) that are upsetting the balance in ungoverned territories throughout the many southern islands in the Philippines, but also throughout Southeast Asia as well.⁴² However, the NPA, the armed wing of the Communist Party of the Philippines, still remains the principal threat to the Filipino government. Nonetheless, the current US force structure in the Philippines consists of a small contingent of special operations forces and is formally structured under the Joint Special Operations Task Force- Philippines (JSOTF-P) based in Mindanao. JSOTF-P forces are not

authorized to execute offensive operations through legal frameworks of the Filipino government, but are conducting operations and training in conjunction with their Filipino counterparts.

The US has been supportive of the Filipino President Gloria Arroyo. However, the average Filipino does not trust the Filipino government as they are often very corrupt, which affects the strategic outlook of the US among the Filipino people during this fight. JSOTF-P typically trains and teaches the current TTPs to effectively conduct COIN operations in addition to providing military support such as weapons and intelligence, surveillance, and reconnaissance (ISR) platforms. Through the GWOT, the US needs to increase bi-lateral training exercises with the Philippines to strengthen mutual military relationships and interoperability with their Filipino counterparts. This process also needs to incorporate the interagency and non-governmental organizations (NGOs) groups who are already in full-force in the Philippines in order to better coordinate all the efforts to maximize the overall effects. Throughout this process, the US will ultimately influence the Philippines to become pro-US as opposed to pro-China.

The use of distributed CSL's in conjunction with robust sea-basing in the vicinity and within the Philippines will allow the US to conduct military operations in the current fight and in a potential anti-access environment that China may impose. For all those reasons, the Philippines is an ideal place to operate within the Marine Corps distributed operations theory. The Marine Corps, organized into Security Cooperation - Marine Air Ground Task Forces (SC-MAGTFs) can operate with interagency organizations and NGOs through the use of dual-use infrastructure, several CSLs that contain required gear, fuel, ammunition, and base services staged via host nation support for training and ultimately during a major contingency. These CSLs would require short expeditionary airfields typically 1,500 – 2,000 feet long for sustained helicopter operations. More importantly, they need to support Marine Corps KC-130's and AV-

8B Harriers, soon to be the new stealth technology joint strike fighter (JSF), both with STOVL abilities. These assets will provide a mobile and not easily targeted anti-air, offensive-air-support, and reconnaissance capability. For example, the new airfield located at Fort Magsaysay can be used for aerial refueling KC-130's and Harriers while the foot Marines can be dispersed throughout the countryside or on islands conducting austere operations similar to the combined action program (CAP) during the Vietnam conflict with continuous fire and logistic support.

CHAPTER 4 - CONCLUSIONS

A close partnership utilizing all instruments of national power with the Philippines will pay dividends during a potential crisis against China in the future and will also allow the US to remain inconspicuous in relation to the perceived Chinese notion of the US encircling or containing their growth. One thing is clear: the US absolutely has to be vigilant during this epic struggle for multi-polarization, which is slowly shifting to the east. Additionally, the US must not forget the close relationship with Japan and other regional partners to include South Korea, Thailand, and even Vietnam when continuing a positive dialog with China, one of the five permanent members of the United Nations with a veto power. The international community needs to encourage China to become a constructive partner in the global community by persuading the Chinese government to take more responsibility for humanitarian disasters and other altruistic activities in their region.

The international community must also insist that China actively works with them to maintain peace throughout ASEAN countries and among nations within the region during any future conflicts that may occur. First, in order for China to be a major power and peacefully share superpower status with the US, both regionally and globally, China will have to address the negative aspects and bad publicity of human rights abuses, especially on issues directly affecting

the Chinese people. Finally, the Chinese must change politically; even though expecting a US republic system in China to work is naïve and unlikely without a lot of turmoil and bloodshed. However, this paper proposes that China's political system will become more liberal over time as their economy ebbs and flows with the ever changing global economic markets. Unfortunately, right now it is difficult to determine what the future will hold for us all, let alone to have any certainty on whether there will be a terrible conflict emerging in the future between the US and China. This paper proposes a subtle US approach to strengthen its military presence in the Philippines as only one aspect of an overall plan that will continue to ensure the overall security of the United States and its regional Allies.

During the current fight under the GWOT, the US has to pursue stronger bonds and build lasting inter-relationships with the Filipino people, both militarily and through strong partnerships with NGO's and Filipino civilian counterparts. This can be accomplished, militarily speaking, through an increased amount of high-level multi-national training exercises within the Philippines, notwithstanding the political constraints. As a result, the Marine Corps can conduct much needed training using distributed operations principles in an unknown environment under realistic conditions that will test and ultimately advance critical TTPs to be used in the current and future fight. This approach, utilizing a whole of government approach through a SC-MAGTF will not only preserve the MAGTF fighting concept in the current fight, but also broaden the overall capabilities of the US to coordinate efforts between agencies. More importantly, by incorporating distributed operations principles, which will require numerous expeditionary airfields throughout the Philippines and within the region, the US will be able to provide a critical expeditionary capability during a potential military conflict against China in the future.

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- ¹ Russell Ong, *China's Security Interests in the 21st Century*. (New York, NY: Routledge, 2007). 113.
- ² Ibid.
- ³ Ibid.
- ⁴ Ibid, 114.
- ⁵ David Zwig, and Bi Jianhai (2005). "China's Global Hunt for Energy." *Foreign Affairs* Vol. 84, no. 2 (September/October 2005). 25. <http://www.foreignaffairs.com/articles/61017/david-zweig-and-bi-jianhai/chinas-global-hunt-for-energy> (accessed September 27, 2008)
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- ⁷ Herbert Docena. "In the Dragon's Lair." *Foreign Policy in Focus* (2008). <http://fpif.org/fpiftext/4998> (accessed December 31, 2008).
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- ¹⁰ Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), xxii.
- ¹¹ Ong, *China's Security Interests in the 21st Century*, 124.
- ¹² Qiao Liang, and Wang Xiangsui. 1999. *Unrestricted Warfare*. Beijing: People's Liberation Army Arts. <http://www.militaryspot.com/unrestrictedwarfare.pdf> (accessed January 30, 2008).
- ¹³ U.S. Department of Defense, *2006 Quadrennial Defense Review Report* (Washington, DC: Secretary of Defense, 2006), 29, <http://www.comw.org/qdr/qdr2006.pdf> (accessed Oct 20, 2008).
- ¹⁴ U.S. Department of Defense, *Military Power of the People's Republic of China 2007*, Annual Report to Congress, Office of the Secretary of Defense, 6.
- ¹⁵ Cliff, Burles, Chase, Eaton, Pollpeter and, Project Air Force (U.S.). *Entering the Dragon's Lair: Chinese Antiaccess Strategies and their Implications for the United States*. xiv.
- ¹⁶ Ibid. xv.
- ¹⁷ Ibid.
- ¹⁸ Ong, *China's Security Interests in the 21st Century*, 124.
- ¹⁹ Ibid.
- ²⁰ U.S. Department of Defense, *Military Power of the People's Republic of China 2007*, Annual Report to Congress, Office of the Secretary of Defense, 15.

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- ²¹ Ibid.
- ²² Ibid, I.
- ²³ Ibid.
- ²⁴ Ibid.
- ²⁵ Sun Tzu, *Sun Tzu's The Art of War Plus The Ancient Chinese Revealed* (Gary Gagliardi translation) (Seattle, WA: Clearbridge Publishing, 1999), 21.
- ²⁶ Ong, *China's Security Interests in the 21st Century*, 124.
- ²⁷ Stephen Marks. "Understanding China's Strategy: Beyond 'Non- Interference'." *Global Policy Forum* (October 5, 2008): 10/20/08, <http://www.globalpolicy.org/empire/challenges/competitors/2008/1105chinastrategy.htm>. (accessed January 2, 2009).
- ²⁸ U.S. Department of Defense, *Military Power of the People's Republic of China 2007*, 116.
- ²⁹ Roger Cliff, Mark Burles, Michael S. Chase, Derek Eaton, Kevin L. Pollpeter and, Project Air Force (U.S.). *Entering the Dragon's Lair: Chinese Antiaccess Strategies and their Implications for the United States*. (Santa Monica, CA: RAND Corp, 2007). xiii.
- ³⁰ United States Department of State, 2006, *United States – Japan Roadmap for Realignment Implementation*, Issued Following May 1, 2006 Meeting of the U.S.-Japan Security Consultative Committee, Attendees; Secretary of State Condoleezza Rice, Secretary of Defense Donald Rumsfeld, Japanese Minister of Foreign Affairs Taro Aso, Japanese Minister of State for Defense Fukushima Nukaga.
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- ³² Docena. "In the Dragon's Lair." *Foreign Policy in Focus* (2008). <http://fpif.org/fpifxt/4998> (accessed December 31, 2008).
- ³³ Ibid. xv-xvi and 95-103.
- ³⁴ Stanley Karnow, *In Our Image, America's Empire in the Philippines*, (New York, NY: Random House, 1989), jacket summary.
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- ³⁶ Ibid.
- ³⁷ Ibid.
- ³⁸ Ibid.
- ³⁹ Ong, *China's Security Interests in the 21st Century*, 37.
- ⁴⁰ Ibid. 45.

⁴¹ Wohlworth, William C. "The Stability of a Unipolar World." *International Security* 24, no. 1 (Summer 1999). http://mitpress.mit.edu/journals/pdf/isec_24_01_5_0.pdf (accessed December 27, 2008). 7.

⁴² Al Santoli, telephone conversation with author and founder of the Asia-America Institute, a non-profit non-governmental organization on December 23, 2008.

GLOSSARY

AV-8B	A McDonnell Douglass vertical / short takeoff and landing (V/STOL) Harrier Aircraft flown by the United States Marine Corps.
ASEAN	The Association of Southeast Asian Nations, consists of 10 countries located in Southeast Asia, which was formed on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore and expanded to include Brunei, Cambodia, Laos, Myanmar, and Vietnam. Its aims include the acceleration of economic growth, social progress, cultural development among its members, the protection of the peace and stability of the region, and to provide opportunities for member countries to discuss differences peacefully.
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance.
CEP	Circular Error Probability
COIN	Counter Insurgency
CSS-5	The Dong-Feng 21 or DF-21; NATO reporting name CSS-5, represents China's first solid-fuel land-based missile. Development started in the late 1960s, and was completed around 1986 and was deployed in 1991.
CSS-9	The Dong Feng 31; NATO reporting name CSS-9, is a long-range, three stage, solid propellant intercontinental ballistic missile in the Dongfeng missile series developed by the People's Republic of China.
DF-3	Chinese Intermediate range ballistic missile.
DO	Distributed Operations - is a new warfighting concept being adopted by the United States Marine Corps and is being developed by their Warfighting Laboratory as a response to the changing environment of the Global War on Terror.
DOD	Department of Defense

GDP	Gross Domestic Product
DF-21	See CSS-5.
GWOT	Global War on Terrorism
ISR	Intelligence, Surveillance, and Reconnaissance.
JSF	Joint Strike Fighter
JSOTF-P	Joint Special Operations Task Force – Philippines.
KC-130	A Lockheed C-130 Hercules that can be use for aerial refueling.
MILF	The Moro Islamic Liberation Front is a Muslim separatist rebel group located in Southern Philippines.
MNLF	The Moro National Liberation Front (MNLF) is a political organization in the Philippines.
NDS	National Defense Strategy
NGO	Non-Governmental Organization
OECD	The Organization for Economic Co-operation and Development.
PLA	The People's Liberation Army is the unified military organization of all land, sea, and air forces of the People's Republic of China.
PPP	The purchasing power parity is an economic theory that uses the long-term equilibrium exchange rate of two currencies to equalize their purchasing power.
SC-MAGTF	Security Cooperation – Marine Air Ground Task Force
SHKVAL	The VA-111 Shkval is a high-speed torpedo developed by the Soviet Union.
SRBM	Short-Range Ballistic Missile

STOVL	See AV-8B.
TTP	Tactics, Techniques, and Procedures
QDR	Quadrennial Defense Report.
USA	United States of America
US	United States

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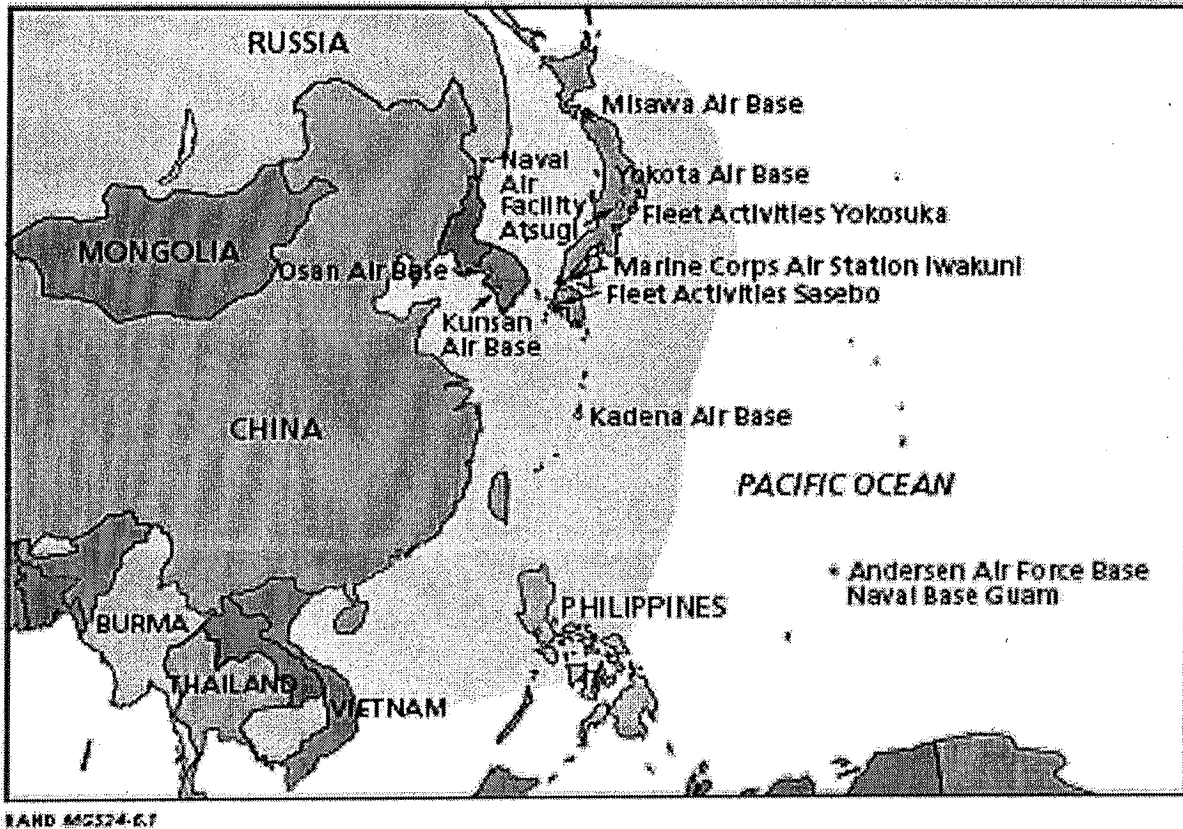
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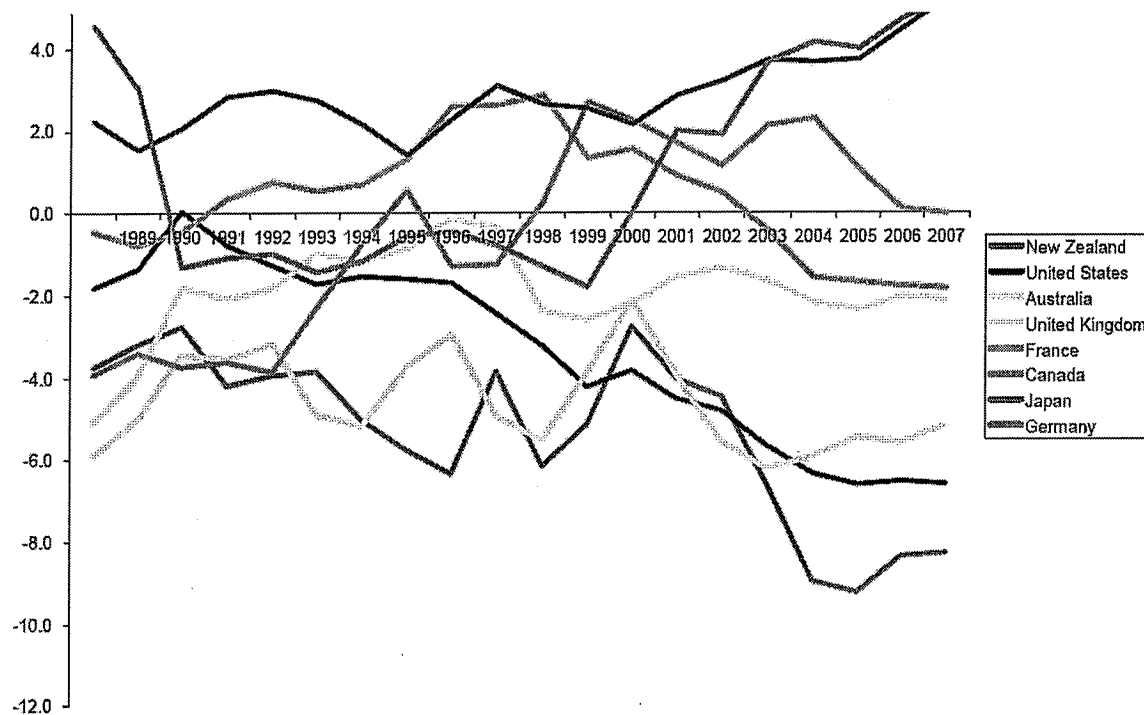
**APPENDIX A: "THE DRAGON'S LAIR" – PORTIONS OF THE WESTERN PACIFIC
MOST VULNERABLE TO CHINESE ANTIACCESS**

Chinese Antiaccess Measures



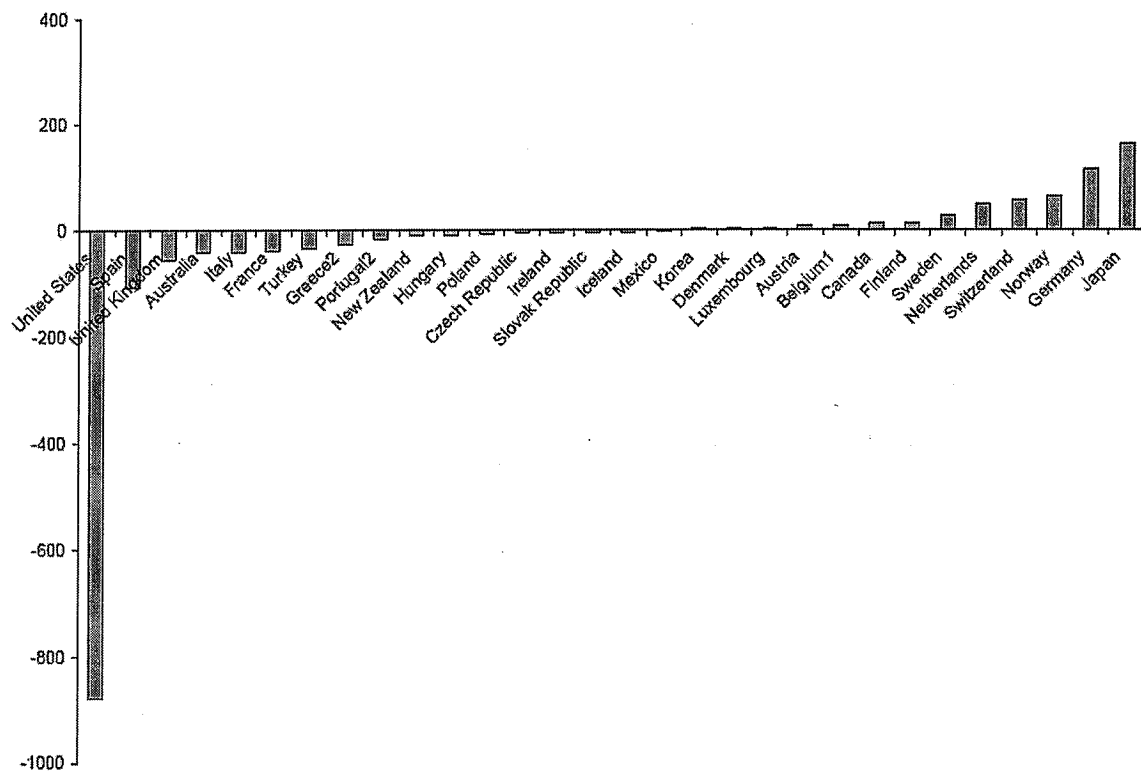
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**APPENDIX B: CURRENT ACCOUNT BALANCES AS A PERCENTAGE OF GDP FOR
SELECTED OECD COUNTRIES, 1989-2007**



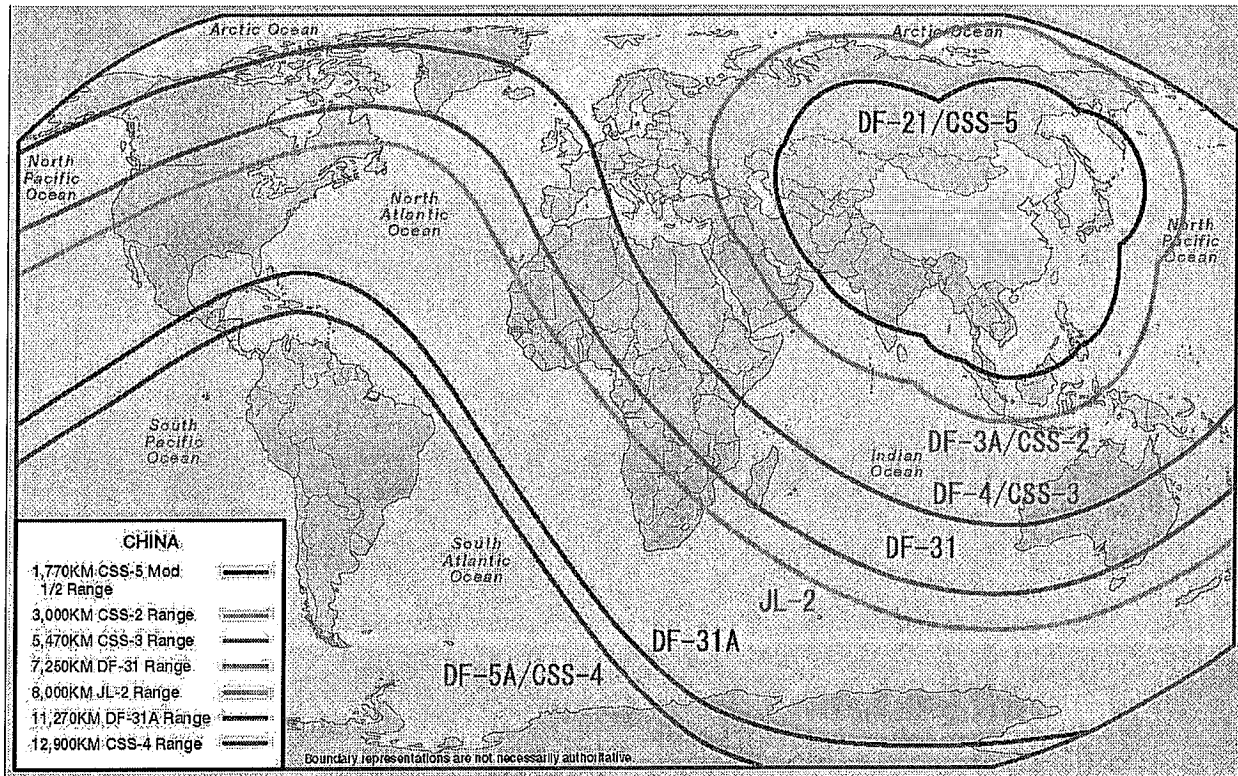
Source: OECD Statistical Annex Tables.

APPENDIX C: CURRENT ACCOUNT BALANCES IN OECD COUNTRIES, 2006



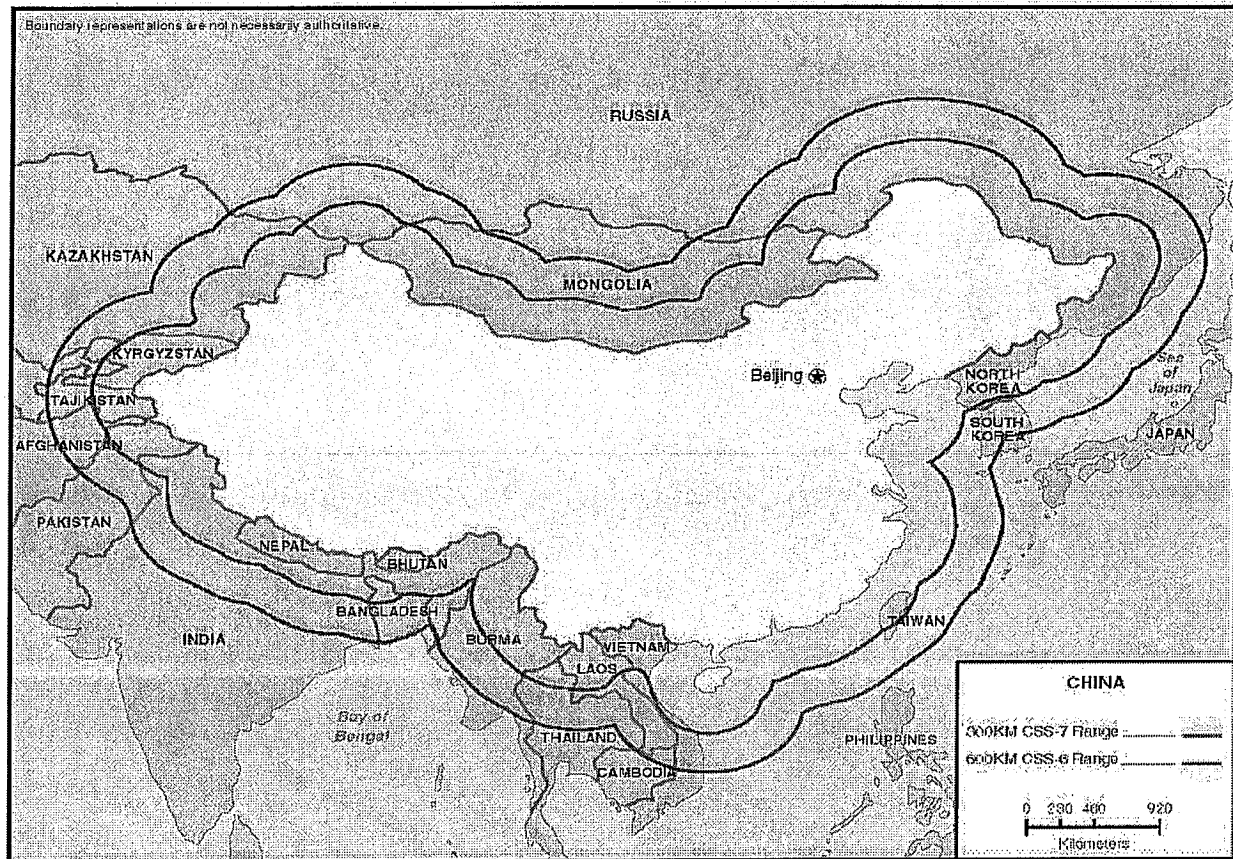
Source: OECD Statistical Annex Tables.

APPENDIX D: CHINA'S MEDIUM AND INTERCONTINENTAL BALLISTIC MISSILES



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APPENDIX E: MAXIMUM RANGES FOR CHINA'S CONVENTIONAL SRBM FORCE



Note: China currently is capable of deploying ballistic missile forces to support a variety of regional contingencies.

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